



PPP Flexibility Act: What you need to know



Paycheck Protection Program Flexibility Act of 2020 **Signed into law on June 5, 2020¹**

The Paycheck Protection Program Flexibility Act of 2020 modifies some of the central provisions to the Paycheck Protection Program (PPP), allowing more flexibility for borrowers. The bill increases flexibility and access to PPP loans by providing small businesses more time to spend loan funds and still obtain forgiveness.

Key Provisions to Help Small Business Owners

- Businesses now have 24 weeks to spend loan proceeds, up from 8 weeks;
- Reduces mandatory payroll spending from 75% to 60%, allowing additional funding for rent/personal property leases, utilities, mortgage interest, and interest on other debt;
- Extends the forgiveness period from June 30 to December 31, 2020;
- Time to pay off the loan has been extended to five years from the original two years for new loans;
- Borrowers can obtain loan forgiveness and utilize the payroll tax deferral.

Connect with Rep. Torres Small's office at (575) 323-6384 with any questions.

Paycheck Protection Program and Health Care Enhancement Act **Signed into law on April 24, 2020**

The Paycheck Protection Program and Health Care Enhancement Act is intended to help small businesses by setting aside \$30 billion for community-based lenders, small banks, and credit unions and providing \$60 billion in disaster loans and grants.

Small Business Assistance

- Strengthened the Paycheck Protection Program with \$310 billion in additional funding;
- \$30 billion reserved for community-based lenders, small banks, and credit unions, including mission-based lenders that focus on serving minority and underserved communities;
- \$30 billion for medium-sized banks and credit unions;
- \$50 billion for SBA disaster lending and \$10 billion in SBA disaster grants, funding for those who generally cannot access credit elsewhere.

¹ Source: Congressional Hispanic Caucus, June 8, 2020